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# TWENTY-FIRST ANNUAL FINANCIAL STATEMENT

## *Coopérative Fédérée de Québec*

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|             |   |   |   |   |      |
|-------------|---|---|---|---|------|
| ESTABLISHED | - | - | - | - | 1922 |
| REORGANIZED | - | - | - | - | 1930 |

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Board of Directors  
Address by the President  
Remarks by the General Manager  
Assets and Liabilities  
Operation Account  
Surplus Account  
Statistics  
Chart of Administration



GENERAL ANNUAL MEETING OF THE SHAREHOLDERS  
HELD AT THE QUEEN'S HOTEL, MONTREAL  
FEBRUARY 11TH AND 12TH, 1943.

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At their meeting of February 10, 1943, the Board of Directors decided to grant to the Affiliated Cooperative Societies and Syndicates the following patronage dividends:

Butter.....  $3\frac{1}{16}$ c per pound

Cheese .....  $1\frac{1}{8}$ c per pound

Balanced rations..... 7c per bag

Fertilizers..... 5%

Insecticides, tile drains, metal roofing, fencing,  
fruit packing materials, binder twine..... 5%

Hogs received at our

Princeville abattoir ..... 20c per head

## ***Board of Directors***

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PRESIDENT

OMER-E. MILOT

Yamachiche, St-Maurice

VICE-PRESIDENT

J.-A. PINSONNEAULT

Sherrington, Napierville

GERARD MASSUE

Varennes, Verchères

PHILIAS BUREAU

Compton (station) Compton

L.-P. RIOUX

Sayabec, Matapédia

PHILADELPHIE FERLAND

Normandin, Roberval

ADRIEN LAMARCHE

St-Esprit, Montcalm

ALBERT BELANGER

St-Valier, Bellechasse

ABBE S. PELTIER

L'Assomption, L'Assomption

W.-H. LATOUR

Notre-Dame-de-la-Salette

SAMUEL AUDETTE

Landrienne, Abitibi

ALBERT LAFRAMBOISE

Ste-Scholastique, Deux-Montagnes

THEODE FORTIER

Plessisville, Mégantic

EDMOND PROVENCHER

St-Félix-de-Kingsey, Drummond

J.-A. MARION

St-Edwidge, Compton

LEOPOLD PAQUIN

Ste-Monique, Nicolet

HONORE AUMAIS

St-Polycarpe, Soulanges

CHARLES CASTONGUAY

Causapsal, Matapédia

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Secretary: HENRI-C. BOIS

Treasurer: J. T. NOEL

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## ***Executive Committee***

J.-F. DESMARAIS, president

OMER-E. MILOT

J.-A. PINSONNEAULT

ABBE S. PELTIER

J.-A. MARION

HENRI-C. BOIS, secretary



## Address by the President, Mr. Omer E. Milot

Gentlemen,

It is indeed a pleasure to welcome the delegates and substitute delegates of our affiliated societies.

Our organization has again registered notable progress. Forty-two cooperative societies or cooperative syndicates have joined our ranks; this makes a total of 140 affiliations for the past three years and places the total at 284 societies as at December 31, 1942. In February of last year, I stated, without any idea of prophesying, that if the farmers of this province would continue to give us their patronage, the results of the year 1941 would be surpassed. At that time, 58 cooperative societies had joined us; the business transacted amounted to \$17,746,000. In 1942, 42 cooperative organizations have affiliated and the business transacted is over \$23,400,000. This increase can be attributed in a certain measure to increased prices, but in a much larger measure to the greater volume of produce. What is most comforting is to observe that our progress is after all the result of the general popularity of the cooperative idea.

These successes must not, however, make us lose sight of the ever increasing difficulties which must be faced by agriculture. They must not lead us to a sense of false security and make us neglect to take forthwith all the precautions indicated by science and experience.

The after-war periods — ever since the Napoleonic wars, to go back to that time — have always been fatal to agriculture. It is of utmost importance to prepare ourselves now in order to pass without too great hardships the readjustments to follow after the war.

Many are placing their hope in the evolution of ideas of citizens of all countries with reference to economic and social life. Others have more faith in governmental action. Doubtless, the improvement in standards of living of farmers and laborers will depend upon the pressure exerted by public opinion and the power of understanding of public men. Without neglecting any of the means indicated and others that could be mentioned, I prefer the concerted action of powerful groups organized under the sign of Cooperation. I believe these groups should improve their status by consolidating the financial situation of their enterprises and by inviting to join them, all those whose needs and apprehensions are similar. This means, supplying the necessary capital for the functioning and the expansion of our cooperatives, pay their debts if any, and to assure themselves of the unfailing loyalty of all members through a well inspired and well-directed propaganda.

If I had to make any reproach against the cooperative societies and cooperative syndicates of the province, I would say that, in the past they have too often preferred passiveness and temporization to initiative and decision. I should like to point out also that many are the cooperators who lose sight of the ultimate goals of cooperation and, having obtained all the advantages which it could grant, are ready to abandon it for an inducement which is debatable and nearly always of a temporary nature.

Gentlemen delegates, remember that we shall have no other power than that which we will have given ourselves. If those of whom we complain, in whatever authority they may be, are powerful, let us in turn become powerful by uniting ourselves. Let us put forward whatever unites rather than that which divides. Let us spread about us the cooperative belief. Let us house-clean our societies and enliven them with generosity and Christian spirit. All that can be done if we elect to do it, and none of it may harm our legitimate interests; on the contrary, it can only help.

In a few moments, our General Manager will read to you the financial statement for the year 1942. The business transacted is your business. It was made with your money or your products, which is the same. Your Board of Directors and your Executive have always endeavoured to administer along the lines of progressive agriculture. It belongs to you to judge in what measure they have succeeded in doing so.

Before taking my seat, I must thank the cooperators who entrusted us with their confidence, also the administrators and employees of the Cooperative Federée who have contributed to these most satisfactory results.

## Remarks by the General Manager, Mr. J. F. Desmarais

Mr. Chairman,

Gentlemen:

Before submitting to you the financial statement of the Cooperative Federee, as prepared by our auditors for the year ending December 31, 1942, I have the honor to bring to your attention the following decisions of your Board of Directors:

a) To pay the regular dividend to holders of preferred stock;

b) To grant to the affiliated cooperative societies and syndicates the patronage dividends indicated on page 1 of this statement;

c) To offer to the cooperative societies and syndicates who, without being affiliated, have purchased and sold through us in the course of the year 1942, half of the patronage dividends mentioned, provided these organizations will join the Cooperative Federee on or before April 30, 1943.

Your President, Mr. Milot, mentioned a few minutes ago the considerable increase in our business which is \$5,666,659.92. The gross profit amounts to \$749,082.75 and the net profit on operations is \$183,008.26. After deducting the amounts set aside for reserves of all kinds, there is a balance of \$115,293.11.

Yesterday, the General Balance Sheet, the Balance sheet of each department, the Profit and Loss Account and the Operating Account have been submitted to your Board of Directors.

During the past year, we have had to overcome all sorts of difficulties, due to the state of war. Supplies of all kinds have become scarcer, their transport more difficult and their handling costs have increased. This has finally resulted in a decreased volume of business in certain departments and by an increase in our general cost. Altogether, however, the year has been a good one.

The Cooperative Federee continues to progress. On many occasions it has protected, in a most efficient manner, the farmers' interests, either by its actions in the commercial field, or by its intervention with governments and other public bodies who are responsible for the adaptation of our economic life to the needs of our war effort.

The statement which I shall read to you is the result of the cooperation of all: that of the farmers, that of the educational institutions and professional associations who continuously work for the progress of the cooperative idea; that of the Agronomists; that also of the employees of the Cooperative Federee who, through their work and devotion, have made this result possible.



CONSOLIDATED

# Coopérative Féc

As at 31st De

## ASSETS

### CURRENT

|                          |                |              |              |
|--------------------------|----------------|--------------|--------------|
| Cash on hand and in      |                |              |              |
| Bank .....               | \$ 162,711.97  |              |              |
| Accounts Receivable..... | \$1,295,872.94 |              |              |
| Less: Reserve for        |                |              |              |
| Doubtful accounts ..     | 55,628.24      | 1,240,244.70 |              |
| Inventory - Merchandise  | 874,585.87     |              |              |
| Operating Supplies ....  | 56,710.41      | 931,296.28   | 2,334,252.95 |

MORTGAGES, DEPOSITS .. 99,338.70

### FIXED

|                         |            |            |            |
|-------------------------|------------|------------|------------|
| Equipment, Machinery .. | 489,134.68 |            |            |
| Less: Reserve for       |            |            |            |
| Depreciation ....       | 238,525.25 | 250,609.43 |            |
| Real Estate             | 772,375.07 |            |            |
| Less: Reserve for       |            |            |            |
| Depreciation ....       | 230,935.96 | 541,439.11 | 792,048.54 |

### DEFERRED EXPENSES

|                |  |                       |  |
|----------------|--|-----------------------|--|
| for 1942 ..... |  | 66,569.52             |  |
|                |  | <u>\$3,292,209.71</u> |  |

## BALANCE SHEET

*Fédération de Québec*

December, 1942

## LIABILITIES

|                                          |                |                       |
|------------------------------------------|----------------|-----------------------|
| ACCOUNTS PAYABLE .....                   |                | \$ 479,871.69         |
| LOANS :                                  |                |                       |
| Banque Canadienne Nationale              | \$1,141,403.08 |                       |
| Cooperative Wholesale Society Limited    | 486,666.67     |                       |
| Sundry .....                             | 138,650.00     | 1,766,719.75          |
|                                          | <hr/>          |                       |
| BONDS :                                  |                |                       |
| Issued .....                             | 350,000.00     |                       |
| Less Paid at Maturity .....              | 132,000.00     |                       |
|                                          | <hr/>          |                       |
|                                          | 218,000.00     |                       |
| Redeemed .....                           | 60,800.00      | 157,200.00            |
|                                          | <hr/>          |                       |
| Accrued Interest on Bonds and Loans .... |                | 9,997.26              |
| RESERVES:                                |                |                       |
| For Contingencies .....                  | 37,223.76      |                       |
| General .....                            | 127,783.34     | 165,007.10            |
|                                          | <hr/>          |                       |
| CAPITAL STOCK :                          |                |                       |
| Preferred .....                          | 148,680.00     |                       |
| Common .....                             | 90,202.50      | 238,882.50            |
|                                          | <hr/>          |                       |
| SURPLUS .....                            |                | 474,531.41            |
|                                          |                | <hr/>                 |
|                                          |                | <u>\$3,292,209.71</u> |

We have audited the books of the Cooperative Federee for the period ended December 31st, 1942, and we have obtained all the information which we have requested.

The assets and liabilities of the subsidiary companies, capital stock of which is owned in full by the Cooperative, are included in the present statement.

In our opinion the above Balance Sheet represents the financial situation of the Cooperative as at 31st December, 1942 according to the books and explanations we have obtained.

PELLETIER, GRAVEL  
C.P.A.  
Auditors

February 8th, 1943.

# OPERATING ACCOUNT

## YEAR 1942

### MERCHANDISE ACCOUNT

|                                     |                      |                     |
|-------------------------------------|----------------------|---------------------|
| Sales .....                         |                      | 23,413,264.48       |
| Cost of merchandise sold:           |                      |                     |
| Inventory, 31st December 1941 ..... | \$ 1,135,437.04      |                     |
| Purchases .....                     | 21,622,267.84        |                     |
|                                     | <u>22,757,704.88</u> |                     |
| Inventory, 31st December 1942 ..... | 874,585.87           | 21,883,119.01       |
|                                     |                      | <u>1,530,145.47</u> |

### DEDUCT :

#### Direct charges :

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Insurance .....                       | 11,063.02         |                   |
| Freight, trucking and weighing .....  | 121,050.97        |                   |
| Salesmen Expenses .....               | 15,036.04         |                   |
| Sundries .....                        | 8,106.46          |                   |
| Containers .....                      | 61,547.69         |                   |
| Storage and Warehousing .....         | 50,233.41         |                   |
| Maintenance of equipment .....        | 21,861.18         |                   |
| Power .....                           | 59,954.54         |                   |
| Wages .....                           | 421,967.72        |                   |
| Rents .....                           | 20,797.16         |                   |
|                                       | <u>791,618.19</u> |                   |
| Less: Storage and Rent revenues ..... | 10,555.47         | 781,062.72        |
|                                       |                   | <u>749,082.75</u> |

#### Gross Profit .....

### ADD :

|                                        |                   |
|----------------------------------------|-------------------|
| Miscellaneous profits and losses ..... | 3,469.85          |
|                                        | <u>752,552.60</u> |

### DEDUCT :

#### Administration charges:

|                                             |            |                   |
|---------------------------------------------|------------|-------------------|
| General Insurances .....                    | 24,421.64  |                   |
| Unemployment Insurance .....                | 7,866.18   |                   |
| Travelling expenses .....                   | 16,092.01  |                   |
| Sundry Expenses .....                       | 8,035.03   |                   |
| Subscriptions and Donations .....           | 1,242.73   |                   |
| Water, heating, lighting .....              | 10,747.15  |                   |
| Maintenance of equipment .....              | 8,910.54   |                   |
| Maintenance of real estate .....            | 23,285.03  |                   |
| Legal charges .....                         | 720.33     |                   |
| Sundry rents .....                          | 5,716.04   |                   |
| Stationery .....                            | 17,927.98  |                   |
| Bad Debts .....                             | 15,635.27  |                   |
| Cooperative Education and advertising ..... | 51,929.66  |                   |
| Salaries .....                              | 251,094.61 |                   |
| Taxes and licenses .....                    | 31,080.39  |                   |
| Telephones and telegrams .....              | 14,125.39  |                   |
| Postal and excise stamps .....              | 15,437.29  | 504,267.27        |
|                                             |            | <u>248,285.33</u> |

#### Interest :

|                |           |                   |
|----------------|-----------|-------------------|
| On bonds ..... | 9,404.82  |                   |
| On loans ..... | 62,402.40 | 71,807.22         |
|                |           | <u>176,478.11</u> |

#### Depreciation:

|                      |           |           |
|----------------------|-----------|-----------|
| On equipment .....   | 36,000.00 |           |
| On real estate ..... | 25,185.00 | 61,185.00 |

#### NET PROFIT carried to SURPLUS account .

115,293.11

Wage and salaries up to \$3,000. increased by cost of living bonus — \$63,044.87



# SURPLUS ACCOUNT

Year 1942

|                                   |  |              |
|-----------------------------------|--|--------------|
| BALANCE, 31st December 1941 ..... |  | \$447,169.17 |
|-----------------------------------|--|--------------|

Deduct:

|                                                |                   |                   |
|------------------------------------------------|-------------------|-------------------|
| Dividends .....                                | \$ 9,017.40       |                   |
| Patronage Dividends to affiliated societies .. | 78,913.47         | 87,930.87         |
|                                                | <u>          </u> | <u>          </u> |
|                                                |                   | 359,238.30        |

Add:

|                                         |  |                   |
|-----------------------------------------|--|-------------------|
| Net profits on operations in 1942 ..... |  | 115,293.11        |
|                                         |  | <u>          </u> |
| BALANCE at 31st December 1942 .....     |  | 474,531.41        |
|                                         |  | <u>          </u> |

## STATISTICS

### COMPARISON OF SALES

|       |      |                 |
|-------|------|-----------------|
| Sales | 1933 | \$ 4,600,000.00 |
| "     | 1934 | 5,450,000.00    |
| "     | 1935 | 7,300,000.00    |
| "     | 1936 | 9,500,000.00    |
| "     | 1937 | 11,500,000.00   |
| "     | 1938 | 11,700,000.00   |
| "     | 1939 | 11,925,000.00   |
| "     | 1940 | 14,050,000.00   |
| "     | 1941 | 17,750,000.00   |
| "     | 1942 | 23,400,000.00   |

### COMPARISON OF PATRONAGE DIVIDENDS PAID DURING

|      |             |
|------|-------------|
| 1937 | \$26,894.15 |
| 1938 | 33,607.91   |
| 1939 | 48,009.60   |
| 1940 | 60,402.58   |
| 1941 | 78,913.47   |

### COMPARISON OF THE NUMBER OF AFFILIATED SOCIETIES

(organized under the Act of 1930, and after deducting those that have  
ceased operations or cancelled their affiliation)

|      |     |      |     |
|------|-----|------|-----|
| 1931 | 49  | 1937 | 123 |
| 1932 | 57  | 1938 | 150 |
| 1933 | 58  | 1939 | 168 |
| 1934 | 74  | 1940 | 189 |
| 1935 | 95  | 1941 | 244 |
| 1936 | 106 | 1942 | 284 |

ADMINISTRATION  
CHART

# COOPERATIVE FEDEREE DE QUEBEC





